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New Minister of Supply and Internal Trade Sworn In

Report Categories:

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Grain and Feed

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Report Highlights:

Major General Mohamed Ali El-Shiekh was sworn in as the new Egyptian Minister of Supply and Internal Trade. El-Shiekh replaces Dr. Khaled Hanafy who resigned last month to avoid a vote of no confidence by the parliament amid allegations of corruption in local wheat procurement.

General Information:

Major General Mohamed Ali El-Shiekh was sworn in as the new Egyptian Minister of Supply and Internal Trade on September 6, 2016. El-Shiekh replaces Dr. Khaled Hanafy who resigned last month to avoid a vote of no confidence by the parliament. Dr. Hanafy was facing allegations of corruption in local wheat procurement. Mr. El-Shiekh, a former army general, previously served as the Chief of the Army's Public Service Agency. He also served as the head of the Army's Logistics Agency during the January 2011 revolution. At the time, El-Shiekh handled several crises resulting from a wave of labor stoppages including a strike by public bus drivers, at which time he deployed army buses to substitute public buses.

The swearing in came after the House of Representatives, the unicameral parliament of Egypt, approved El-Shiekh's nomination to the position on Monday, September 5, 2016. The Speaker of Parliament, Dr. Ali Abdul Aal, told the legislature that the nomination was made directly by Egyptian President Abdul Fattah Al Sissi. The speaker told the Middle East News Agency that, "The Ministry of Supply is a service-orientated ministry that needs a personality having firmness and experience at the same time; he also enjoys a wide experience in management, organization and crisis management."

Under the Egyptian constitution approved in 2014, new government ministers must be endorsed by parliament before they take office. The Ministry of Supply and Internal Trade in Egypt is responsible for providing the local market with subsidized food items, including bread, which is a staple for the majority of the country's 91 million people.

Former Minister of Supply and Internal Trade, Dr. Khaled Hanafi, officially announced his resignation on Thursday, August 25, 2016, to avoid a vote of no confidence by the parliament. Hanafi was harshly criticized after a parliamentary fact-finding commission uncovered fraud involving domestic wheat procurement. The corruption scandal is estimated to have cost the government of Egypt approximately one billion Egyptian pounds (US \$113 million). Reports indicate that buyers authorized to procure wheat for the government may have inflated the purchases they reported to the government by as much as two million tons, out of the total five million tons. The Egyptian government pays high prices for wheat to encourage farmers to produce it domestically. The local traders who buy wheat from scores of small-landholders have frequently found opportunities to extract extra revenues from the government via this support system.